

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 02623 181101Z  
ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06  
SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 NEA-10  
PA-01 PRS-01 /112 W  
-----182327Z 105880 /70

R 181013Z MAR 77  
FM AMEMBASSY BRUSSELS  
TO AMEMBASSY TEHRAN  
INFO SECSTATE WASHDC 9346  
AMEMBASSY BONN  
AMCONSUL DUSSELDORF

LIMITED OFFICIAL USE BRUSSELS 02623

E.O. 11652: N/A  
TAGS: BEXP, ENRG, BE, GW, IR  
SUBJECT: OIL BARTER: KRUPP/PETROFINA/NIOC OIL BARTER AGREEMENT

REF: (A) TEHRAN 1758, (B) DUSSELDORF 450, (C) TEHRAN 2151

1. WE DISCUSSED REFTEL QUESTIONS WITH PETROFINA SPOKESMAN GERARD LOCQUET. HE CONFIRMED THAT AMOUNT INVOLVED IS 4.5 MILLION TONS OF CRUDE, DIVIDED BETWEEN LIGHT AND HEAVY, ALL TO BE DELIVERED DURING 1977-78. PRICE PAID BY PETROFINA IS CONFIDENTIAL, BUT LOCQUET REMARKED THAT PRICE ASSUMPTIONS SHOULD BE BASED ON THE POST-DOHA PRICE FOR IRANIAN CRUDE. HE CALLED OUR ATTENTION TO AN ARTICLE IN GERMAN WEEKLY DER SPIEGEL OF 14 FEBRUARY SAYING THAT THE BELGIAN PURCHASER MUST HAVE OBTAINED AT LEAST A 3 PERCENT DISCOUNT, CUSTOMARY FOR DEALS OF THIS DIMENSION. LOCQUET DID NOT CONFIRM OR DENY DER SPIEGEL'S STATEMENT. THE DER SPIEGEL ARTICLE, WHICH WE HAD NOT YET SEEN, ALSO SAYS FINA WOULD OBTAIN THE DISCOUNT "FROM KRUPP."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 02623 181101Z

2. BELGIAN PRESS TREATMENT OF THE DEAL IS LARGELY SPECULATIVE. LE SOIR, 16 FEBRUARY, ATTRIBUTES TO "A RELIABLE SOURCE" INFORMATION THAT THE PETROLEUM WILL BE DELIVERED TO PETROFINA, WHILE THE PRODUCT OF THIS SALE WILL PAY FOR INDUSTRIAL GOODS WHICH KRUPP WILL DELIVER TO IRAN. THEY CITE DER SPIEGEL'S REMARK TO THE EFFECT THAT THIS SALE WILL

BRING IN AROUND 900 MILLION DM, ALMOST EXACTLY THE AMOUNT NEEDED TO PAY FOR IRAN'S PARTICIPATION IN KRUPP, AND THAT THE PERIOD OF DELIVERY (TWO YEARS) CORRESPONDS TO THE PERIOD GIVEN TEHRAN TO PAY FOR ITS PARTICIPATION IN KRUPP. LA LIBRE BELGIQUE OF 17 FEBRUARY CARRIED WORD-FOR-WORD THE SAME BASIC STORY, BUT ATTRIBUTED THE INFORMATION TO "CERTAIN SOURCES" RATHER THAN TO DER SPIEGEL.

3. IN ANALYZING THE BACKGROUND OF THE DEAL, LE SOIR POINTS OUT THAT AT PRESENT HALF OF PETROFINA'S CRUDE IS SUPPLIED THROUGH A LONG-TERM CONTRACT WITH BP. BUT SINCE UNDER THE TERMS OF THAT CONTRACT PETROFINA'S SHARE PROGRESSIVELY DIMINISHES, THE FIRM HAS HAD TO SEEK OUT NEW SUPPLIERS. IN RECENT MONTHS CONTRACTS HAVE BEEN ENTERED INTO ALSO WITH SYRIA AND IRAQ, ACCORDING TO LE SOIR. THE 2.25 MILLION-TON-PER-YEAR DELIVERIES FROM IRAN WILL AMOUNT TO 12 PERCENT OF PETROFINA'S ANNUAL NEEDS.

4. COMMENT: WE INFER FROM CITATION OF DER SPIEGEL'S ARTICLE BY BOTH THE BELGIAN PRESS AND PETROFINA SPOKESMAN LOCQUET THAT IT IS THE MOST RELIABLE PUBLIC ACCOUNT OF THIS THREE-WAY OIL BARTER AGREEMENT. RENNER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GW  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 18-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BRUSSE02623  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** n/a  
**Format:** TEL  
**From:** BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770343/aaaablap.tel  
**Line Count:** 84  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE  
**Message ID:** a99f5cb5-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 TEHRAN 1758, 77 DUSSELDORF 450, 77 TEHRAN 2151  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 23-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3059961  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL BARTER: KRUPP/PETRONFINA/NIOC OIL BARTER AGREEMENT  
**TAGS:** BEXP, ENRG, BE, IR  
**To:** TEHRAN SECSTATE WASHDC MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/a99f5cb5-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009